

ARTICLE APPEARED  
ON PAGE A-1

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US-ISRAEL

# Spying among two close friends

*CIA and FBI's concerns  
revived by Pollard case*

by Jeffrey McConnell  
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**T**he recent indictment of Jonathan Jay Pollard, a former Navy counterterrorism analyst, on charges of conspiring to provide Israel with US military secrets is only the latest chapter in a long but murky history of Israeli spying in the United States.

While Pollard's was the first case of its kind to be tried since 1950, American concern about Israeli operations has been constant since then.

Israel has asserted that it has a policy against espionage inside the United States and that Pollard's activities were an aberration. It says it agreed with the United States long ago to share intelligence only through approved channels and that the two countries would not conduct intelligence operations against each other. However, former US intelligence officials deny the existence of such a pact.

The Pollard affair "was typical of many, many cases like that," Stephen Millett, who handled the CIA's secret Israeli account during the 1950s and 1960s, said in an interview shortly before his death last month. "The uniqueness of the Pollard case arose from its appearance in the press."

Millett, one of only a handful of US officials to deal on a daily basis with counterintelligence against Israel over such a long period of time, said that other "people got caught," even though the press never reported those cases. "This is part of a long pattern," he added.

Following Pollard's guilty plea, disputes arose between Washington and Tel Aviv, and within the Reagan administration, over the extent of Israeli espionage in the United States.

Many officials in both countries would like the whole matter to go away, and the plea bargain was an unsuccessful attempt to make that happen. Moreover, the historical questions the case raises threaten to further embarrass Israel's fragile coalition government. It could also again chill intelligence cooperation between the United States and Israel, to which the Reagan administration has assigned a high priority.

As more facts emerge, the simple and rosy public portrait of cooperation be-

tween the two nations has become blurred. It is not just that the uninitiated have discovered that friends spy on friends. The revelations highlight the extent to which Israel has depended on the United States for its survival and the risks that Israelis are willing to undertake to acquire information deemed important. They also threaten to lead to a tightening of the channels through which Israel has made such acquisitions.

## Dispute over agreement

Some of the complexities are illustrated in the dispute over the existence of a spying ban. One account of such an agreement appears in Wolf Blitzer's recent book, "Between Washington and Jerusalem." As a result of embarrassing incidents between the United States and Israel during the 1950s, the two nations "reached an understanding to end covert operations against each other," wrote Blitzer, Washington correspondent for the Jerusalem Post. "Angleton, the head of the Israel desk at the CIA, was said to have been largely responsible for arranging the deal."

Millett, Angleton's assistant on Israel, disputes this account. He said he knew of no such agreement. Asked why the Pollard affair was so special then, he replied that it was "special just in [that it was] offending the State Department. . . People in the field have a job to do, and they won't be stopped by any [formal] agreements."

Sam Papich, the FBI's liaison to the CIA during the period Millett handled Israeli matters, agreed last week: "I never heard of such an agreement and doubt that it ever existed." Papich should know. Part of his job was to coordinate counterintelligence between the CIA and the FBI, and he worked with Millett and his colleagues on matters pertaining to Israel.

Several former CIA and FBI officials said in interviews that Israel's clandestine activities in the United States are unique, rooted as they are in the country's fight for independence and its historical memory of the Holocaust.

For example, the officials pointed to the Sonneborn Institute, a collection of pro-Zionist businessmen assembled in July 1945 by the late Baltimore businessman Rudolf Sonneborn.

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2

The Sonneborn Institute eventually became a secret support network for the Hagannah, the Jewish force in Palestine fighting against the British and the Arabs. Teddy Kollek, later to become mayor of Jerusalem, came to the United States to organize a smuggling effort to transport contraband materials to Palestine in violation of a US embargo on such exports. The late Nahum Bernstein, a lawyer and former member of the Office of Strategic Services, set up a school for Hagannah spies in Manhattan and handled legal affairs for the smugglers.

The FBI watched these activities closely. Although Kollek returned to Israel "before the FBI got its hands on me," as he later wrote, six of his colleagues were arrested and successfully prosecuted for smuggling.

One agent who handled Israeli matters for the bureau during the late 1940s and early 1950s, W. Raymond Wannall, said that in December 1948 or January 1949, the FBI monitored the formation of a group to supervise future Israeli espionage in the United States growing out of the Hagannah effort. He said it consisted of two Israeli diplomats, a US lawyer and an Israeli "troubleshooter" who traveled between the United States and Israel.

Wannall said that, in the following months, he checked out additional Israeli operations "targeted at Arab activities in the United States... and at securing information from our own government related to Arab capabilities." Wannall said Israeli agents were able to obtain, largely from sympathizers, "a dozen or more" classified documents, although the sources of the leaks were never found.

Problems continued after Wannall's direct duties for Israel ended. In 1978, the Justice Department released a list of 23 classified documents concerning investigations of Israeli espionage inside the United States between 1953 and 1959. According to interviews with participants in some of these investigations, as well as in other cases, clandestine activities by Israel were a matter of constant concern.

Wannall remembered a 1954 investigation. In that case, accusations were made that a US State Department official, Fred Waller, had improperly disclosed classified information to Israeli officials, including Chaim Herzog, then Israel's defense attache in Washington and currently its president. No charges were brought against any Israelis, and Waller was reinstated after appealing an initial dismissal from the government.

Former FBI agent W. Donald Stewart,

briefly assigned to the FBI's Middle East desk in 1956, recalled investigating allegations that Israelis receiving flight training at US bases were also gathering intelligence. "What struck me," he said, "was that, here we had a new country - only eight years old - and they were running around the country developing intelligence information."

Plato Cachetis, now a prominent Washington attorney, recalled supervising a major espionage probe later in 1956 soon after arriving at the Justice Department. A separate inquiry the next year apparently involved the Army and the National Security Agency.

John Davitt, then head of the Justice Department's espionage unit, recalled a 1959 investigation into alleged leaks to Israeli officials from a State Department intelligence officer. This information, according to another source, pertained to the US intervention in Lebanon the year before.

Davitt, who continued to prosecute espionage cases until his retirement in 1980, said that there were varying degrees of concern about Israeli espionage "straight through" his career. He said that there were more cases earlier than later and that his "general recollection" was that they peaked during the 1960s.

A secret CIA study found in the US embassy in Iran in 1979, and based on research completed two years earlier, underscores Davitt's account. It treats Israeli espionage activities in the United States as a "principal activity" of the Israeli intelligence services. Israel's "principal targets," after the Arab states, are the "collection of information on secret US policy or decisions... regarding Israel" and "scientific intelligence in the US and other developed countries."

Whether the allegations of Israeli espionage will be proved remains to be seen. The Justice Department is continuing to investigate the roots of the Pollard affair - a probe certain to be helped by Pollard's agreement to talk. Meanwhile, the US House of Representatives has opened its own investigation into those allegations to determine the extent of deliberate planning involved and the role of US officials. These efforts may help clarify whether the Pollard case was merely the aberration and "rogue operation" the Israelis alleged it to be.

*Jeff McConnell is a coauthor of a forthcoming book, "CIA in America." Richard Higgins of the Globe Staff contributed to this article.*